

**California Department of Fish and Game
Local Government Endowment Alternative
Pilot Program Summary
November 2010**

This pilot program provides an endowment alternative to local governments that are Natural Community Conservation Plan (NCCP) participants for funding long-term management of mitigation lands required under the California Endangered Species Act (CESA or a Lake and Streambed Alteration Agreement (LSAA). Key elements of the program are summarized below:

The local government is a participant in an approved NCCP and is in compliance with its obligations under the Plan.

The local government's Chief Financial Officer or other independent officer certifies that the local government meets certain financial standards.

The local government has an approved mitigation site, management plan and a Property Analysis Record (PAR) or substantially equivalent financial analysis for determining annual management costs.

The local government provides an annual pledge of revenue, Memorandum of Agreement, or similar mechanism acceptable to the Department for ensuring annual funding and management of the mitigation lands. The mechanism includes certain provisions.

The local government provides a contingency fund, to be used by the Department in the event the local government fails to perform, equivalent to five years of management of the mitigation lands. The Department may draw on this fund until performance is reestablished and the contingency fund replenished.

The local government grants a Conservation Easement (CE) over the mitigation site prior to implementing the project to the Department or another entity approved by the Department with the Department as a third party beneficiary. The CE shall revert to the Department or a nonprofit of the Department's choosing if the local government defaults.

If the local government defaults and does not cure its defaults within the specified time, it must fully fund an endowment in the amount determined by the PAR within 5 years of the date it receives a default notice from the Department.

Note: This policy is part of the Department's endowment fund pilot program and is subject to review and revision during the pilot process. The Department will develop and release a final policy at its discretion on or before the end of the pilot program.